



# MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT AND TRADE

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION

BACHELOR OF EDUCATION (SCIENCE)

**AGB 102: AGRI-ENTERPRISE AND ENTREPRENEURSHIP MANAGEMENT**

**DATE: 24/5/2022**

**TIME: 8.30-10.30 AM**

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## INSTRUCTIONS:

Answer question ONE and any other TWO questions

### QUESTION ONE (30 MARKS)

- a) Explain four advantages that come with success in business ownership. (4 marks)
- b) Describe five external sources of funds for a business. (5 marks)
- c) Describe five elements of a risk management plan for handling various risks facing an agri-enterprise. (5 marks)
- d) Explain five reasons why entrepreneurs need to prepare a business plan. (5 marks)
- e) Describe five different strategies to brand an agricultural product. (5 marks)
- f) Assume a business sells a product at Ksh 12 while its variable cost is Ksh 4. The business incurs a fixed cost of Ksh 12,000 every month and sold 3000 units of the product in March 2022. Calculate
  - i. Profit (3 marks)
  - ii. Breakeven point (3 marks)

**QUESTION TWO (20 MARKS)**

- a) With necessary diagrams and examples, describe how product life cycle is linked to the theory of diffusion of innovation (10 marks)
- b) Explain five main stages involved in the entrepreneurial process (10 marks)

**QUESTION THREE (20 MARKS)**

- a) Describe five aspects of entrepreneurial orientation highlighting how each aspect help agribusiness entrepreneurs improve the performance of a business (10 marks)
- b) Explain the four main elements of the marketing mix, highlighting strategies for agribusiness marketing for each. (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain how to conduct an internal analysis of an agri-business, stating appropriate tool(s) (10 marks)
- b) Describe five reasons for encouraging the growth of small and medium-sized agribusinesses in Kenya, with examples. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) Explain the main elements of a business plan, using appropriate illustrations (10 marks)
- b) Agri-enterprise development is often confronted with various risks that must to be controlled by an entrepreneur.
  - i. Explain five categories of risks that face agri-enterprise development in Kenya (5 marks)
  - ii. Describe appropriate risk management strategies for each of the risks listed in b(i) above (5 marks)